

THE REGIONAL GREENHOUSE GAS INITIATIVE

An Initiative of the Northeast and Mid-Atlantic States of the U.S.

Regional Investment of RGGI CO₂ Allowance Proceeds, 2012

Executive Summary

February 2014

www.rggi.org



Executive Summary

Investments of Regional Greenhouse Gas Initiative (RGGI) auction proceeds to date¹ are projected to return more than \$2 billion in lifetime energy bill savings to more than 3 million participating households and more than 12,000 businesses in the region. These programs are projected to offset the need for approximately 8.5 million megawatt hours (MWh)² of electricity generation, save more than 37 million mmBTU of fossil fuels, and avoid the release of approximately 8 million short tons of carbon dioxide (CO₂) pollution into the atmosphere over their lifetime.

RGGI is making a difference for New England and Mid-Atlantic households, businesses, farms, and industry. The program has powered a \$700 million investment in the region's energy future: reducing energy bills, helping businesses become more competitive, accelerating the development of local clean and renewable energy sources, and limiting the release of harmful pollutants into the air and atmosphere, while spurring the creation of jobs in the region. An independent 2011 study by the Analysis Group reported over 16,000 new job-years are being created as a result of investments made during the first three years of the program.³

Figure 1

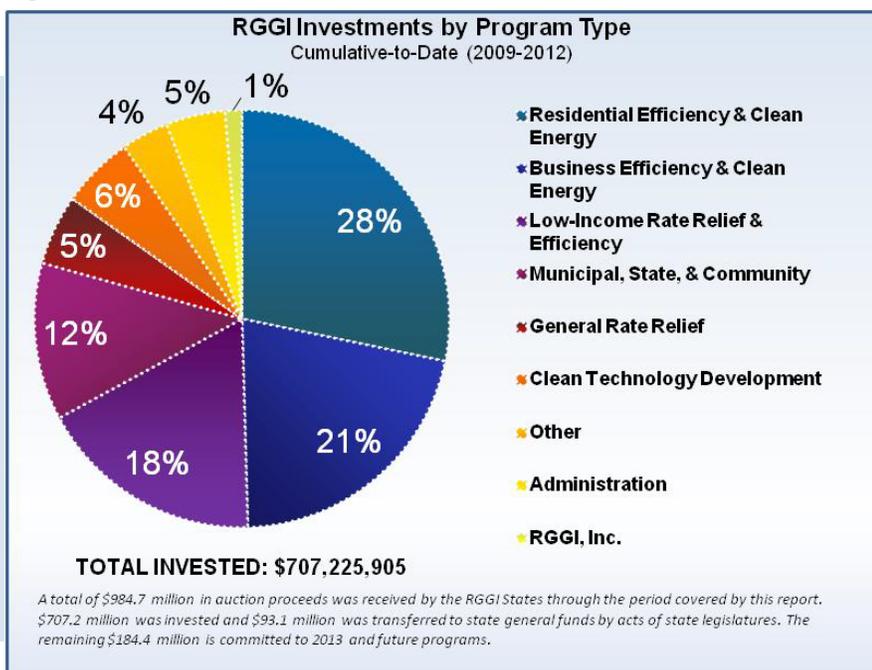
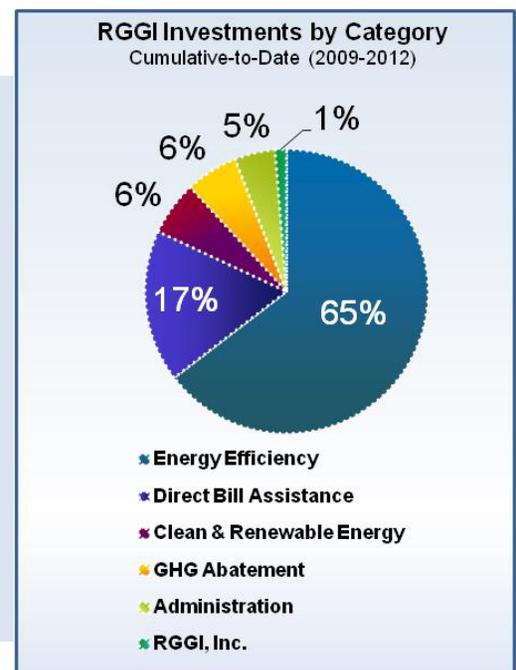


Figure 2



¹ "RGGI Investments" are proceeds generated by RGGI auctions that have been invested by the RGGI states in the programs discussed in this report. These investments do not include New Jersey proceeds or investments, transfers to state general funds, or funds committed to 2013 or future programs, but not yet encumbered or spent.

² For this report each RGGI state projected cumulative and lifetime benefits of RGGI investments. In compiling this data, a RGGI state identified a unit conversion error that was previously used to project avoided MWh in the *Regional Investment of RGGI CO₂ Allowance Proceeds, 2011* report. This error has been corrected in the regional avoided MWh and regional avoided CO₂ emissions in this report.

³ Analysis Group. *The Economic Impacts of the Regional Greenhouse Gas Initiative*. Nov. 2011.

http://www.analysisgroup.com/uploadedFiles/Publishing/Articles/Economic_Impact_RGGI_Report.pdf

These investments, in concert with the broader energy policies of each RGGI state, are making the region a national leader in energy efficiency, clean and renewable energy, and greenhouse gas (GHG) emissions abatement. For example, [six RGGI states](#) were ranked among the top ten states nationwide for energy efficiency investments by the American Council for an Energy Efficient Economy in 2012.⁴

RGGI investments fall into four primary program categories: energy efficiency, clean and renewable energy, GHG abatement, and direct bill assistance programs.

Energy Efficiency

More than 73 percent of 2012 RGGI investments, and approximately 65 percent of cumulative RGGI investments to date, fund energy efficiency programs in the region. Broadly, energy efficiency programs improve the way consumers use energy, allowing them to literally “do more with less energy.” For example, an energy efficient appliance allows a homeowner to enjoy the benefits of a new appliance, while using less electricity — and paying less on their electricity bill. Businesses can generate the same kind of savings through a number of measures, from basic insulation and HVAC upgrades at an office, to more efficient lighting in a store or warehouse, to industrial processes like using excess heat produced to dry and cure wood to help generate power at a wood processing plant.

RGGI investments in Energy Efficiency are expected to return more than \$1.8 billion in lifetime energy bill savings to consumers in the region.

Vermont: Efficiency Vermont



Photo Credit DRA Architects

“Working with Efficiency Vermont allowed us to incorporate electrical and air quality upgrades along with air sealing and insulation, to create a building that the community can afford to operate well into the future.”

—Paul ZaBriskie, Contractor at EnergySmart of Vermont

Clean & Renewable Energy

More than 6 percent of 2012 RGGI investments, and more than 6 percent of cumulative RGGI investments to date, fund clean and renewable energy programs in the region. Clean and renewable energy programs accelerate the deployment of local, clean, and renewable energy technologies. Many RGGI-funded programs provide grants or low-interest financing to businesses and homeowners seeking to install on-site renewable or clean energy systems (e.g. rooftop solar panels, farm-based wind turbines, or fuel-cell systems). These programs allow participants to minimize up-front expenses and use the savings generated by the installed measure each month to pay for the system.

RGGI investments in Clean and Renewable Energy are expected to return more than \$73 million in lifetime energy bill savings to consumers in the region.

⁴ American Council for an Energy-Efficient Economy, *The 2012 State Energy Efficiency Scorecard*, Oct. 2012. <http://www.aceee.org/research-report/e12c>

Table 1: All Programs Funded by RGGI

 <p>Participating Households To-Date: 3.2 million</p>	 <p>Energy Bill Savings To-Date: \$240 million Lifetime: \$2 billion</p>	 <p>CO₂ Emissions Avoided To-Date: 792,000 short tons Lifetime: 8 million short tons</p>
 <p>Participating Businesses To-Date: 12,000</p>	 <p>Megawatt Hours Saved To-Date: 928,000 Lifetime: 8.5 million</p>	 <p>Equiv. Cars Taken Off the Road To-Date: 149,000 Lifetime: 1.4 million</p>
 <p>Workers Trained To-Date: 3,600</p>	 <p>Million BTU Saved To-Date: 2.5 million Lifetime: 37 million</p>	

Connecticut: Connecticut Clean Energy Finance and Investment Authority (CEFIA)



“This project, which is expected to generate roughly half of the electricity needs of two schools, is not only an important ecological step but will generate significant savings for Cromwell’s taxpayers.”

— Cromwell’s former first selectman, John Flanders

GHG Abatement

More than 4 percent of 2012 RGGI investments, and approximately 6 percent of cumulative RGGI investments to date, fund GHG abatement programs in the region. GHG abatement programs promote the research and development of advanced energy technologies, the reduction of vehicle miles traveled, and the reduction of GHG emissions in multiple sectors. These programs typically identify and target local needs and opportunities, such as: fuel-cell-powered municipal buses; grants for industrial process improvements that reduce emissions from local industry; and forestry projects that enhance wildlife habitats while increasing carbon sequestration.

RGGI investments in GHG Abatement are expected to avoid the release of 260,000 short tons of harmful CO₂ pollution into the atmosphere.

Direct Bill Assistance

More than 9 percent of 2012 RGGI investments, and more than 17 percent of cumulative RGGI investments to date, fund direct bill assistance programs in the region. Direct bill assistance programs provide rate relief to electricity consumers in the RGGI region. Many programs provide specific assistance to low-income families and qualifying small businesses, while other programs provide small on-bill credits to all consumers. Direct bill assistance typically appears as a credit on a consumer’s electricity bill.

RGGI investments in Direct Bill Assistance have returned more than \$122 million in bill credits to more than 2 million participating households.

RGGI States Proceeds Contacts

Connecticut

Jaimeson Sinclair
Department of Energy & Environmental Protection

Delaware

Valerie Gray
Department of Natural Resources & Environmental Control

Morgan Ellis
Department of Natural Resources & Environmental Control

Maine

Sadie Lloyd
Efficiency Maine Trust

Ian Burnes
Efficiency Maine Trust

John Brautigam
Maine Public Utilities Commission

Maryland

Marissa Paslick
Public Service Commission

Danielle Schwarzmann
Department of the Environment

David Beugelmans
Maryland Energy Administration

Massachusetts

Sue Kaplan
Department of Energy Resources

Ian Finlayson
Department of Energy Resources

New Hampshire

Barbara Bernstein
Public Utilities Commission

Joe Fontaine
Department of Environmental Services

Jack Ruderman
Public Utilities Commission

Jim Cunningham
Public Utilities Commission

New York

Rebecca Reed
NYSERDA

Lois New
Department of Environmental Conservation

Rhode Island

Barbara Cesaro
Office of Energy Resources

Vermont

Mary-Jo Krowleski
Public Service Board

Ingrid Malmgren
Vermont Energy Investment Corp.